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Message Text

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51
ACTION EB-07

INFO OCT-01 AF-04 ARA-06 EUR-12 EA-06 ISO-00 GSA-01 OPIC-03

XMB-02 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 FRB-01

H-01 INR-05 INT-05 L-02 LAB-01 NSAE-00 NSC-05 PA-01

RSC-01 AID-05 CIEP-01 SS-15 STR-01 TAR-01 TRSE-00

USIA-06 PRS-01 SP-02 FEAE-00 OMB-01 SWF-01 /104 W
---------- 076003
R 221520Z NOV 74
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 4521
INFO AMEMBASSY LIMA
AMEMBASSY BRUSSELS
AMEMBASSY KINSHASA
AMCONSUL LUBUMBASHI
AMEMBASSY LUSAKA
AMEMBASSY MANILA
AMEMBASSY SANTIAGO
AMCONSUL PORT MORESBY
AMEMBASSY CANBERRA
AMEMBASSY LONDON

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E.O. 11652: N/A
TAGS: ETRD EIND EAGR FR
SUBJECT: COPPER EXPORT CUTBACK BY CIPEC

REFS: STATE 255226 AND SANTIAGO 7125.

1. CIPEC SECRETARY GENERAL GUERONIK CONFIRMED
NOVEMBER 19 CIPEC DECISION IS TO LIMIT EXPORT SHIPMENTS
BY TEN PERCENT. EFFECTIVE 1 DECEMBER, EXPORT QUOTA
SYSTEM TO BE ESTABLISHED BY FOUR GOVERNMENTS WITH

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QUOTAS REPRESENTING 90 PERCENT OF PREVIOUS SIX MONTHS'

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PRODUCTION (CHILE HOWEVER ALLOWED TO TAKE BEST THREE OF LAST SIX MONTHS TO ESTABLISH BASE PERIOD BECAUSE OF ITS INCREASING PRODUCTION). GOVERNMENTS WILL SUBMIT MONTHLY REPORTS TO CIPEC HEADQUARTERS PARIS FOR AUDIT AND CONTROL BY SPECIAL COMMITTEE ESTABLISHED AT LUSAKA CONFERENCE. GUERONIK SAID CUTBACK WOULD BE FOR INDEFINITE PERIOD THOUGH FIRST REVIEW SCHEDULED FOR JANUARY MEETING OF MINISTERS.

2. CIPEC ACTION IS MANDATORY ON QUOTAS, ACCORDING TO GUERONIK. PRODUCTION OR PROCESSING CUTS ON OTHER HAND NOT MANDATORY AND EACH MEMBER LEFT TO DEAL WITH STOCKPILE PROBLEM AS IT SEES BEST. HE SAID, HOWEVER, THAT MEMBERS HAVE "AGREED" TO STOCKPILE CONCENTRATES RATHER THAN REFINED METAL, IN ORDER TO AVOID DEPRESSING EFFECT ON MARKET OF LARGE METAL STOCK OVERHANG, AND TO AVOID POSSIBLE COMPETITION TO SELL REFINED METAL FIRST ON MARKET IF AND WHEN QUOTA SYSTEM DROPPED.

3. CIPEC IS AWARE OF ITS WEAKNESS IN ESTABLISHING THIS SYSTEM, SAID GUERONIK; TEN PERCENT CUT EVEN OVER WHOLE YEAR WOULD AMOUNT TO LESS THAN HALF OF ESTIMATED 500,000 TON WORLD OVER-CAPACITY FOR COMING YEAR. FOR THAT REASON, CIPEC HAD FIRST SOUGHT JAPANESE AGREEMENT TO LIMIT METAL SALES ON LONDON MARKET; JAPANESE EXPORT BAN HAD BEEN BROUGHT ABOUT THROUGH DIPLOMATIC APPROACHES IN CIPEC CAPITALS AS Wwell AS DIRECT CIPEC INTERVENTION. JAPANESE HAVE AGREED TO MAINTAIN BAN INDEFINITELY AND ARE CURRENTLY NEGOTIATING WITH MAJOR SUPPLIERS (PARTICULARLY CANADA AND PHILIPPINES) TO SECURE REDUCTION (JAPANESE REQUESTING UP TO 50 PERCENT) IN ORE SHIPMENTS.
RUSH

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Concepts: COPPER, EXPORTS, SECRETARY GENERAL
Control Number: n/a
Copy: SINGLE
Draft Date: 22 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740339-0449
From: PARIS
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1974/newtext/t19741120/aaaaaqmk.tel
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Page Count: 2
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Review Authority: golinofr
Review Comment: n/a
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Review Withdrawn Fields: n/a
Secure: OPEN
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Subject: COPPER EXPORT CUTBACK BY CIPEC
TAGS: ETRD, EIND, EAGR, FR, CIPEC, (GUERONIK)
To: STATE
Type: TE
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